

**TESTIMONY OF
STUART MARCUS, MD, FACS
PRESIDENT AND CEO
St. Vincent's Medical Center
SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 11, 2014**

SB 407, An Act Concerning A Hospital Quality Of Care Initiative

Thank you for the opportunity to provide testimony on behalf of St. Vincent's Medical Center regarding **SB 407, An Act Concerning A Hospital Quality Of Care Initiative**. My name is Stuart G. Marcus, and I serve as President and CEO of St. Vincent's Health Services. I have been a practicing physician for more than 25 years, and know first-hand the vital role that strong, vibrant hospitals play in the communities we serve. We are the largest employer in the City of Bridgeport, and an economic engine in our region. I want to voice our strong support of SB 407 and encourage you to do the same.

St. Vincent's Medical Center suffered from last year's budget actions, which imposed a tax of \$336 million on hospitals over the biennium. We've done extraordinary things to minimize the impact to patient care. But it is very challenging. The budget actions last year resulted in the elimination of 100 positions at St. Vincent's in 2013, impacting 50 staff members who were laid off. The layoff affected all employee levels. We reduced Paid Time Off by an equivalent of two full days for each full time employee. In addition, no merit increases were budgeted across the entire organization for fiscal year 2014 and we made changes to our benefit structure placing more of the financial burden on all employees. We also eliminated a diabetes education program and closed a school that had been operated in order to serve high school students in need of alternative education. The cuts continue to place stress on our operations in this current fiscal year as we build our upcoming budget knowing that we have another significant reduction to address in 2014-2015. We are diligently exploring additional cost saving opportunities, including outsourcing of services, shared service centers, consolidation of services and possible changes in scope of services. Continued/sustained hospital reimbursement cuts will result in additional negative impacts to the level of associates employed within the state, levels of compensation and access to care that is currently depended on by the communities we serve.

Since the passage of the biennium budget this past May, CHA and its members have been working with the Office of Policy and Management (OPM) and the Department of Social Services (DSS) to develop a new payment framework for acute care hospitals that provides stable and predictable resources to hospitals while improving care and controlling costs. Our mutual goal has been to develop and implement that framework by July 1, 2014.

CHA is proposing a plan that aligns with the state's health reform agenda; builds upon the existing Medicaid FFS payment system; focuses on programs to improve access to appropriate care, thereby reducing disparities and improving population health; uses quality metrics to track and reward change; and invests in hospitals that achieve the shared vision. Passage of this bill and your support to redesign the Medicaid program with a keen focus on patients and improving the care they count on will ensure that acute care hospitals will have the predictable and stable resources we need, while continuing to improve quality and control costs.

St. Vincent's Medical Center is committed to improving patient care and ensuring that every person receives safe, excellent care. In fact, St. Vincent's has transformed its clinical practices over the last several years, mandating a "high reliability" safety training program for every employee regardless of position. The implementation of the safety program has resulted in numerous awards for St. Vincent's, including four consecutive "A" Hospital Safety Score™ designations by Leapfrog and ranking as Best Hospital in Fairfield County and in all of Western Connecticut for 2013-2014 by U.S. News & World Report in its annual "Best Hospitals" survey. In addition, in 2012, St. Vincent's Medical Center became the only Fairfield County hospital to achieve Magnet® recognition from the American Nurses Credentialing Center. St. Vincent's has also been featured by the Joint Commission as a model of a high reliability organization.

Investing in better care for the people of Connecticut is a good investment for the state. We continue to work with the Administration to shape Medicaid system reform. We are pursuing a value-based proposal that would reward hospitals for achieving quality objectives and investing in infrastructure to make care more effective, as well as for participating in programs to improve outcomes and share data.

We're driving toward the healthcare reform objective of improving care quality and accountability, and the shift from payment for the volume of services provided to payment for value – focusing on the outcomes and quality of care people receive.

Thank you for your consideration of our position and for your vote to report this bill out of Committee. The residents of Connecticut are depending on you.